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November 6, 1997

BY HAND AND FACSIMILE

Nancy Bell, Esquire
Xavier McDonald, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

MUR 4594

Dear Ms. Bell and Mr. McDonald:

This letter follows the motion of our client, China Airlines, Ltd. ("CAL"), to quash your second subpoena to them, dated October 17, 1997. As we discussed, our client is reluctant to expend the time and resources necessary to comply with the subpoena as it appears at the outset that the matter is time-barred, as well as fruitless and ill-advised for the other reasons we outlined in the motion to quash. Nonetheless, after our meeting with you on November 4 and follow-up phone call with Ms. Bell yesterday, we believe there may be a practical middle ground between our position that this matter is entirely time-barred and the staff's position that no time bar applies.

We propose as follows: that the subpoena be amended explicitly to limit the scope of each interrogatory and request for documents to the only time period possibly relevant under the applicable statute of limitations for actions for civil penalties. That time period is five years prior to the date on which the Commission would bring a civil action. Although it would necessarily be several more months, at the least, before the Commission could bring such an

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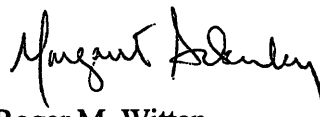
action, we are willing to accept November 1992, five years prior to the present time, as the start date for the scope of the subpoena. We would provide information as requested from that date to the present.

In reaching this agreement, we of course would acknowledge that the Commission does not concede that the statute of limitations limits its inquiry to the past five years and that the Commission does not waive its right to seek further information from our client at a later time, should it choose to do so. Similarly, the Commission would agree that by accepting this proposal, CAL does not concede that any of the matter under review is not barred by the statute of limitations, nor does CAL waive its right to oppose any future requests for information on statute of limitations or any other grounds.

We hope you agree that the above proposal is a constructive way of meeting both your objective of gathering more information and our client's objective of avoiding unjustified time and expense in complying with the subpoena. We note from the Commission's vantage point that the proposal has the practical advantage of allowing the Commission to obtain now without litigation a significant amount of information, which may inform the decision whether to pursue or close the file in this case, without foreclosing the possibility of later seeking additional information if necessary.

We ask that you forward this proposal to the Commission with your presentation of our motion to quash, and that you notify us as to whether this compromise is acceptable to you.

Sincerely,



Roger M. Witten
Jeffrey N. Shane
Margaret L. Ackerley